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**JOHN K. KELLY
GRAND BAYOU RESERVOIR COMMISSION
COUSHATTA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/28/10

John K. Kelly Grand Bayou Reservoir Commission
Coushatta, Louisiana

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John K. Kelly Grand Bayou Reservoir Commission

**5286 Highway 784
Coushatta, LA 71019**

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended December 31, 2009

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. Certain comparative information is presented to provide an overview of the Commission's operations.

Financial Highlights

The Commission's assets exceeded its liabilities (net assets) by \$5,806,509 on December 31, 2009, and \$5,833,187 on June 30, 2008. Total Net Assets are comprised of the following:

	<u>2009</u>	<u>2008</u>
Capital assets, net of accumulated depreciation	\$5,643,445	\$5,734,326
Unrestricted net assets which represent the portion available to maintain continuing obligations to citizens and creditors	\$ 163,064	\$ 98,861

Governmental-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Commission uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-Wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact of short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	<u>2009</u>	<u>2008</u>
ASSETS:		
Current Assets-		
Cash and Cash Equivalents	\$ 169,090	\$ 105,745
Receivables	<u>4,842</u>	<u>1,352</u>
Total Current Assets	<u>\$ 173,932</u>	<u>\$ 107,097</u>
Noncurrent Assets-		
Capital Assets (Net)	\$5,643,445	\$5,734,326
Meter Deposit	<u>65</u>	<u>65</u>
Total Noncurrent Assets	<u>\$5,643,510</u>	<u>\$5,734,391</u>
Total Assets	<u>\$5,817,442</u>	<u>\$5,841,488</u>
LIABILITIES:		
Accounts Payable	\$ 7,028	\$ 5,541
Accrued Expenses	<u>3,905</u>	<u>2,760</u>
Total Liabilities	<u>\$ 10,933</u>	<u>\$ 8,301</u>
NET ASSETS:		
Invested in Capital Assets	\$5,643,445	\$5,734,326
Unrestricted	<u>163,064</u>	<u>98,861</u>
Total Net Assets	<u>\$5,806,509</u>	<u>\$5,833,187</u>

Summary of Statement of Activities

	<u>2009</u>	<u>2008</u>
REVENUES:		
Charges for Services & User Fees	\$540,021	\$361,370
Intergovernmental-		
State Appropriations	100,818	344,840
Other	<u>11,252</u>	<u>6,658</u>
Total Revenues	\$652,091	\$712,868
EXPENDITURES:		
Operating	<u>678,769</u>	<u>701,227</u>
Change in Net Assets	\$ <u>(26,678)</u>	\$ <u>11,641</u>

Change in Net Assets

- The Commission's assets exceeded its liabilities by \$5,806,509 (net assets) for the year. This is a decrease of \$26,678 from prior year.
- Unrestricted net assets of \$163,064 represent the portion available to maintain the Commission's obligation to both citizens and creditors. This is an increase of \$64,203 from prior year.

General Fund Budgetary Highlights

The actual revenues were \$19,522 more than the budgeted amount for the year. Actual expenses were less than the budgeted amount by \$30,825.

Economic Factors and Next Year's Budget

The commission considered many factors in the preparation of the 2010 Budget. Revenues and expenditures are not expected to change significantly.

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at 5286 Highway 784, Coushatta, LA 71019.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the
John K. Kelly Grand Bayou Reservoir Commission
5286 Highway 784
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the major fund of the John K. Kelly Grand Bayou Reservoir Commission (Commission) as of and for the year ended December 31, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission, as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

June 22, 2010
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

John K. Kelly Grand Bayou Reservoir Commission
Statement of Net Assets
December 31, 2009

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash and Cash Equivalents	\$ 169,090
Receivables	<u>4,842</u>
Total Current Assets	<u>\$ 173,932</u>
Noncurrent Assets-	
Capital Assets (Net)	\$5,643,445
Meter Deposit	<u>65</u>
Total Noncurrent Assets	<u>\$5,643,510</u>
Total Assets	<u>\$5,817,442</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 7,028
Payroll Taxes Payable	<u>3,905</u>
Total Liabilities	<u>\$ 10,933</u>
NET ASSETS:	
Invested in Capital Assets	\$5,643,445
Unrestricted	<u>163,064</u>
Total Net Assets	<u>\$5,806,509</u>

See notes to financial statements.

John K. Kelly Grand Bayou Reservoir Commission
Statement of Activities
December 31, 2009

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Culture & Recreation	<u>\$678,769</u>	<u>\$540,021</u>	<u>\$100,818</u>	\$ (37,930)
	General Revenues:			
	Other			<u>11,252</u>
	Change in Net Assets			\$ (26,678)
	Net Assets December 31, 2008			<u>5,833,187</u>
	Net Assets December 31, 2009			<u>\$5,806,509</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

John K. Kelly Grand Bayou Reservoir Commission
Balance Sheet-Governmental Fund
December 31, 2009

ASSETS:

Cash	\$169,090
Accounts Receivable	4,842
Meter Deposits	<u>65</u>
Total Assets	<u>\$173,997</u>

LIABILITIES:

Accounts Payable	\$ 7,028
Payroll Taxes Payable	<u>3,905</u>
Total Liabilities	\$ 10,933

FUND BALANCES:

Unreserved	<u>163,064</u>
Total Liabilities & Fund Balances	<u>\$173,997</u>

See notes to financial statements.

John K. Kelly Grand Bayou Reservoir Commission
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
December 31, 2009

Total Fund Balance for the Governmental Fund at December 31, 2009	\$ 163,064
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Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the Fund Financial Statements. Those assets consist of:

Land, Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation	<u>5,643,445</u>
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Total Net Assets of Governmental Activities at December 31, 2009	<u>\$5,806,509</u>
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See notes to financial statements.

John K. Kelly Grand Bayou Reservoir Commission
Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
December 31, 2009

REVENUES:

Intergovernmental-	
State Appropriations	\$100,818
Charges for Services-	
Rental Income	540,021
Miscellaneous-	
Interest & Miscellaneous	<u>11,252</u>
Total Revenues	<u>\$652,091</u>

EXPENDITURES:

Current-	
Culture & Recreation-	
Advertising	\$ 5,009
Auto	6,616
Bank Charges	25
Cabin Supplies and Expenses	22,727
Capital Outlay	109,173
Contract Labor	13,113
Fuel & Oil	7,008
Insurance	28,148
Legal & Accounting	9,381
Office Supplies	6,431
Pest Control	4,183
Repairs & Maintenance	60,892
Personnel & Related Expenses	172,232
Sales Tax	55,491
Supplies	34,635
Telephone	4,394
Utilities	44,304
Trash Removal	<u>4,126</u>
Total Expenditures	<u>\$587,888</u>

Excess of Revenues over Expenditures	\$ 64,203
Fund Balance-Beginning of Year	<u>98,861</u>
Fund Balance-End of Year	<u>\$163,064</u>

See notes to financial statements.

John K. Kelly Grand Bayou Reservoir Commission
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2009

Net Change in Fund Balance – Governmental Fund \$ 64,203

Amounts reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report Capital Outlays as expenditures.
However, in the Statement of Activities, the cost of these
assets is allocated over their estimated useful lives as
depreciation expense. The cost of capital assets recorded
in the current period is

109,173

Depreciation expense on capital assets is reported in the
Government-wide financial statements, but they do not
require the use of current financial resources and are not
reported in the Fund Financial Statements. Current year
depreciation expense is

(200,054)

Net Change in Net Assets of Governmental Activities

\$ (26,678)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

Introduction:

The John K. Kelly Grand Bayou Reservoir Commission, originally named the Black Lake Bayou Recreation and Water Conservation District of Red River Parish, was established by Act 474 of 1958; RS 38:2701. The Commission consists of Wards 1 and 2 of Red River Parish with the purpose of development of the wealth and natural resources of the Commission by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes. The John K. Kelly Grand Bayou Reservoir Commission is governed and controlled by a board of seven (7) commissioners appointed by the governor for five (5) year terms. Members of the board receive no compensation for their services.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

The Commission constitutes an agency of the State of Louisiana with the authority to cooperate with the State of Louisiana or any political subdivision, department, agency or corporation for the construction, operation and maintenance of facilities designed to accomplish the purpose for which the Commission is created on any basis including the matching of funds and by participating in projects authorized by any federal or state law.

The John K. Kelly Grand Bayou Reservoir Commission was determined not to be a component unit of any other financial reporting entity. The financial statements of the John K. Kelly Grand Bayou Reservoir Commission consist only of funds of the Commission, since the Commission has no financial accountability or oversight responsibility for any other governmental entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

C. Fund Accounting-

The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Commission has one fund, and it is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Commission is described below:

Governmental Fund-

General Fund – the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund. Permit fees and other sources of revenue used to finance the fundamental operations of the Commission are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

thereafter to pay liabilities of the current period. The Commission considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts of the Commission.

F. Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

G. Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

H. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. Budget-

Prior to the beginning of each fiscal year, the Commission adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

2. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At December 31, 2009, the Commission had cash and cash equivalents (collected bank balances) totaling \$207,607. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Commission. The deposits at December 31, 2009, were fully secured by FDIC Insurance.

3. Compensated Absences:

On December 31, 2009, the Commission did not have a formal leave policy in effect. Therefore, no entry is made for compensated absences.

4. Fund Equity:

The unreserved fund balance for the governmental fund represents the amount available for budgeting future operations.

5. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2009, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-09</u>
Capital Assets Not Depreciated:				
Land	\$ 93,000	\$ 0	\$0	\$ 93,000
Construction in Progress	<u>202,985</u>	<u>109,173</u>	<u>0</u>	<u>312,158</u>
Total Assets Not Depreciated	<u>\$ 295,985</u>	<u>\$109,173</u>	<u>\$0</u>	<u>\$ 405,158</u>
Capital Assets Depreciated:				
Equipment & Vehicles	\$ 204,338	\$ 0	\$0	\$ 204,338
Cabins	1,600,000	0	0	1,600,000
Building & RV Park	<u>6,121,807</u>	<u>0</u>	<u>0</u>	<u>6,121,807</u>
Total Assets Depreciated	<u>\$7,926,145</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$7,926,145</u>
Total Assets	<u>\$8,222,130</u>	<u>\$109,173</u>	<u>\$0</u>	<u>\$8,331,303</u>

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

<u>Governmental Activities</u>	<u>Balance 01-01-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-09</u>
Less, Accumulated Depreciation:				
Equipment & Vehicles	\$ 171,262	\$ 7,009	\$0	\$ 178,271
Cabins	480,000	40,000	0	520,000
Building & RV Park	<u>1,836,542</u>	<u>153,045</u>	<u>0</u>	<u>1,989,587</u>
Total Depreciation	<u>\$2,487,804</u>	<u>\$200,054</u>	<u>\$0</u>	<u>\$2,687,858</u>
Net Capital Assets	<u>\$5,734,326</u>	<u>\$ (90,881)</u>	<u>\$0</u>	<u>\$5,643,445</u>

Depreciation expense of \$200,054 was charged to the culture and recreation function.

6. Pension Plans:

All employees of the John K. Kelly Grand Bayou Reservoir Commission are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the Commission contributes a like amount. For the year ended December 31, 2009, total contributions to the System were \$19,457, of which the Commission contributed \$9,729 and employees contributed \$9,728. Total payroll for the year ended December 31, 2009, was \$156,911 and total payroll covered by the system was \$157,583. Any future deficit in this System will be financed by the United States Government.

7. Litigation and Claims:

Management has advised that there is litigation pending against the John K. Kelly Grand Bayou Reservoir Commission at December 31, 2009. The outcome of the litigation can not be determined at this time.

8. Receivables:

The following is summary of receivables at December 31, 2009:

<u>Class of Receivable</u>	<u>General Fund</u>
Charges for Services	<u>\$4,842</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

John K. Kelly Grand Bayou Reservoir Commission
Notes to Financial Statements
December 31, 2009

9. Contingencies:

In 2002, Grand Bayou and Fairview Union Water System entered into a water purchase contract. During 2005, Grand Bayou became aware that Fairview Union had been incorrectly paying them. Grand Bayou is unable to determine any amount of receivable from Fairview Union because they do not have the beginning meter reading.

10. Lease Agreement-KelTech, Inc.:

The Commission has entered into a washer and dryer lease agreement with KelTech, Inc. The lease has an option for the Commission to renew the sixty month lease with new equipment or purchase the existing leased equipment for \$3,000 at the end of the original lease agreement. The Commission is to pay \$400 a month due at the first of each month. The Commission is responsible for all utility services necessary for operation and maintenance of equipment. KelTech will be responsible for all repairs on the leased equipment and will maintain title to the equipment for the entire lease agreement. KelTech will insure the equipment against liability for bodily injury and property damage up to the amount of \$50,000.

**REQUIRED
SUPPLEMENTAL INFORMATION**

John K. Kelly Grand Bayou Reservoir Commission
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2009

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Intergovernmental-				
State Appropriations	\$220,000	\$ 87,000	\$100,818	\$ 13,818
Charges for Services-				
Rental Income	350,088	529,000	540,021	11,021
Interest & Miscellaneous	<u>6,600</u>	<u>16,569</u>	<u>11,252</u>	<u>(5,317)</u>
Total Revenues	<u>\$576,688</u>	<u>\$632,569</u>	<u>\$652,091</u>	<u>\$ 19,522</u>
EXPENDITURES:				
Current-				
Culture & Recreation-				
Advertising	\$ 3,000	\$ 3,400	\$ 5,009	\$ (1,609)
Auto	2,400	6,250	6,616	(366)
Bank Charges	330	330	25	305
Cabin Supplies and Expenses	12,096	42,383	22,727	19,656
Capital Outlay	103,000	103,000	109,173	(6,173)
Contract Labor	130,800	42,000	13,113	28,887
Fuel & Oil	6,720	7,875	7,008	867
Insurance	32,100	29,925	28,148	1,777
Legal & Accounting	5,400	10,400	9,381	1,019
Office Supplies	4,866	7,850	6,431	1,419
Personnel & Related Expense	150,096	167,100	172,232	(5,132)
Pest Control	4,500	4,500	4,183	317
Repair & Maintenance	18,360	53,550	60,892	(7,342)
Sales Tax	35,400	58,500	55,491	3,009
Supplies	18,000	24,125	34,635	(10,510)
Telephone	4,320	4,525	4,394	131
Utilities	42,000	49,000	44,304	4,696
Trash Removal	<u>3,300</u>	<u>4,000</u>	<u>4,126</u>	<u>(126)</u>
Total Expenditures	<u>\$576,688</u>	<u>\$618,713</u>	<u>\$587,888</u>	<u>\$ 30,825</u>
Excess of Revenues over Expenditures	\$ 0	\$ 13,856	\$ 64,203	\$ 50,347
Fund Balance-Beginning of Year	<u>98,861</u>	<u>98,861</u>	<u>98,861</u>	<u>\$ 0</u>
Fund Balance-End of Year	<u>\$ 98,861</u>	<u>\$112,717</u>	<u>\$163,064</u>	<u>\$ 50,347</u>

See accountant's report.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Commissioners of the
John K. Kelly Grand Bayou Reservoir Commission
5286 Highway 784
Coushatta, Louisiana 71019

We have audited the financial statements of the governmental activities and the major fund of the John K. Kelly Grand Bayou Reservoir Commission (Commission) as of and for the year ended December 31, 2009, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financing reporting.

A deficiency in internal control exists when the design or operations of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The report is intended solely for the information and use of the Commission's management, the Louisiana Legislative Auditor, and interested state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

June 22, 2010
Natchitoches, Louisiana

John K. Kelly Grand Bayou Reservoir Commission
Schedule of Findings & Questioned Costs
Year Ended December 31, 2009

I. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Commission of the John K. Kelly Grand Bayou Reservoir Commission.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the John K. Kelly Grand Bayou Reservoir Commission were disclosed during the audit.

II. Findings in Accordance with Governmental Auditing Standards

No findings.

III. Prior Year Findings

Internal Control-

08-01. Controls over Payroll

Condition – Payroll is not reconciled between the general ledger and any payroll reports.

Status – Cleared as of December 31, 2009.

Compliance-

08-02. Louisiana Budget Law

Condition – Louisiana Revised Statute 39:1311A(2) requires that the budget shall be amended when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, are exceeding the total budgeted expenditures and other uses by five percent or more.

Status – Cleared as of December 31, 2009.